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CEO'S MESSAGE

The first half of 2016 has been eventful but rewarding for all of us at EMC.

I am proud to share that we achieved outstanding results for two important sets of performance measurements – the Energy Market Authority's (EMA) new performance standards for EMC that were introduced

in July 2015, as well as our own annual Customer Satisfaction Survey.

I am even more encouraged that these strong performance results were achieved in the midst of several major and challenging projects. This has made the achievements all the more noteworthy.

I thank the team at EMC for their dedication and relentless pursuit of service excellence. I am also grateful to the EMA, our market participants and the members of our governance panels for their continuing support and strong vote of confidence.

Aside from our daily work, we put our staff through a series of business continuity preparedness exercises (BCP) each year to ensure that everyone is prepared in the event of emergency situations. I am glad to report that we completed all our BCP exercises for the financial year with no major issues.

In June, we hosted two delegations from Oman and China. We were happy to take them through Singapore's journey in liberalising the power sector, as well as our experience in operating the nation's wholesale electricity market.

Such visits are testimonies of the success of the National Electricity Market of Singapore (NEMS) – Asia's first competitive electricity market – and EMC's reputation as its market operator.

We welcomed three new market participants in the wholesale market in May and June – two wholesale market traders and one retailer. In terms of performance, the Uniform Singapore Energy Price (USEP) climbed above \$50/MWh in May after three consecutive months of decline, before retreating below this level again in June.

Finally, on the charity front, I was happy to join close to 40 volunteers from the industry for the annual NEMS charity event in May. Together, we took the children from Child at Street 11 to KidZania for a day of educational fun. The number of volunteers this year is the largest we have seen in recent years. We thank all volunteers for their time and hope that they enjoyed themselves as much as the children did.

Toh Seong Wah
Chief Executive Officer

NEW ENTRANTS TO THE NEMS

The National Electricity Market of Singapore (NEMS) welcomed three new market participants in the last two months - Singapore District Cooling Pte Ltd, which joined the NEMS as a wholesale market trader on 11 May, I Switch Pte Ltd, which joined as a retail electricity licensee on 18 May and Sun Electric Energy Assets Pte Ltd, which joined as a wholesale market trader on 10 June.

VISITORS TO EMC



EMC staff with visitors from the AER (left) and Guangdong Baolihua Electric Power Co.

EMC had the pleasure of hosting delegates from Oman's Authority for Electricity Regulation (AER) on 1 June, and China's Guangdong Baolihua Electric Power Co. on 9 June. During the visits, EMC briefed the delegates on the evolution, industry structure and key features of the National Electricity Market of Singapore (NEMS), as well as EMC's role and experience as the wholesale market operator.

EMC values such visits as they provide us with opportunities to share experiences, exchange ideas and discuss developments with other countries and markets.

NEMS CHARITY INITIATIVE VISIT TO KIDZANIA WITH CHILD AT STREET 11



All of us at KidZania



Role-playing as police officers forming a barricade around a building on fire



Briefing for fire fighters at the KidZania fire station

On 20 May, close to 40 volunteers from EMC, YTL PowerSeraya and Senoko Energy took the pre-school children from Child at Street 11 to KidZania, an interactive kids' city in Sentosa.

The children, aged four to six, thoroughly enjoyed themselves at the indoor theme park where they learnt about different careers, the inner-workings of a city and the concept of managing money through role-play. It was a fun and memorable experience for both the children and chaperon volunteers.

Child at Street 11, a childcare and after-school centre for underprivileged children, is the National Electricity Market of Singapore's (NEMS) adopted charity. The industry has organised annual outings with the centre's children since 2006.

EMC'S NON-FINANCIAL PERFORMANCE RESULTS FOR FY2015/2016

We are proud to share the excellent results achieved by the EMC team for the following two performance measures for FY2015/2016:

Energy Market Authority's (EMA) New Performance Standards

From 1 July 2015, the EMA introduced new performance standards for EMC in place of the Performance Incentive Measurement System (PIMS) which was removed following a change in EMC's regulatory revenue regime.

EMC exceeded the performance targets set by the EMA, and achieved perfect scores for all four service dimensions measured (see details in table below). The results were especially significant as they were attained amidst the implementation of several major projects including the office move, consolidation of data centres, and rolling out of system changes for the Demand Response, Compensation and Penalty project.

Service Dimension	Service Indicator	For the Period 1 Jul 2015 to 30 Jun 2016	
		Performance Target	Achievement
Systems Availability	Percentage of availability of EMC's systems including (i) trading website; (ii) clearing systems; and (iii) settlement system.	99.90%	100.00%
Pricing Accuracy	Percentage of all trading days free of incidents caused by EMC error.*	99.70%	100.00%
Settlement Accuracy	Percentage of all settlement payments free of EMC error.*	99.90%	100.00%
Customer Responsiveness	Percentage of all Market Participants' issues lodged with EMC Helpdesk to be resolved within 6 business days.	80.00%	100.00%
	Percentage of all Market Participants' issues lodged with EMC Helpdesk to be resolved within 10 business days.	100.00%	100.00%

*Excludes inaccurate data provided by others and subject to system availability.

EMC's Customer Satisfaction Survey

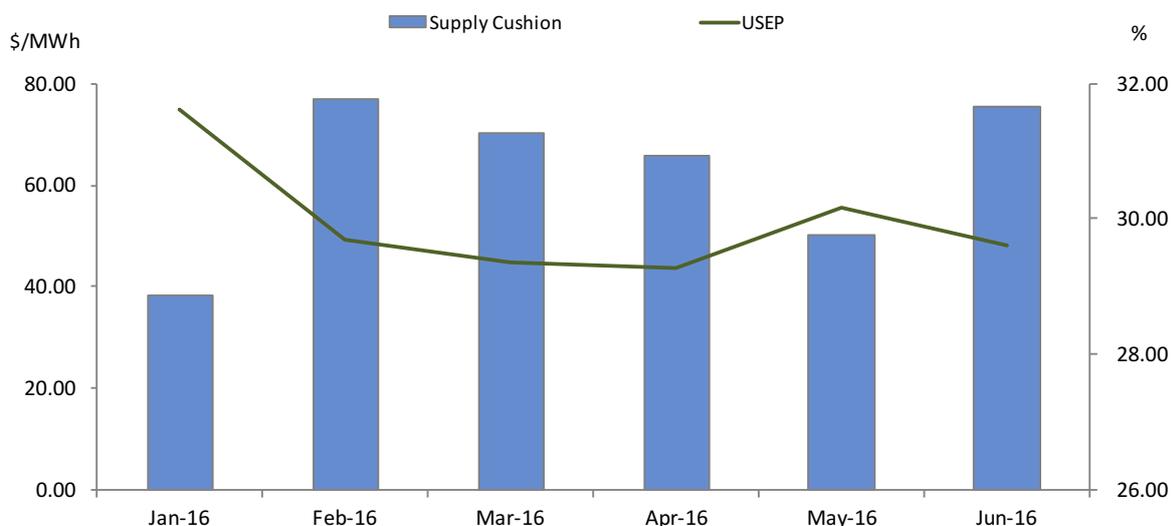
Separately, EMC conducts an annual Customer Satisfaction Survey to get feedback from key stakeholders of the National Electricity Market of Singapore (NEMS). This is a voluntary exercise that we do to ensure that we continue to deliver high service levels to our stakeholders.

There was an 11 percent increase in the number of survey respondents this year, arising from new market participants joining the wholesale electricity market. We are encouraged to see an improvement in the result of one survey category whilst maintaining perfect scores in the other two:

Measurement	Achievement	
	1 Apr 2014 – 31 Mar 2015	1 Apr 2015 – 31 Mar 2016
Satisfaction with Customer Responsiveness	100.0%	100.0%
Satisfaction with Market Assessment and Dispute Resolution Services	100.0%	100.0%
Satisfaction with Rule Change Services	93.2%	94.4%

We thank all NEMS stakeholders for their vote of confidence in EMC. We will work towards closing the gaps where there were service lapses, while maintaining our service levels for areas that we have done well.

Overview of Uniform Singapore Energy Price (USEP) in first half of 2016



The supply cushion, which has been declining since February this year, dropped further in May. This led the monthly average Uniform Singapore Energy Price (USEP) to increase to \$56/MWh. Despite the climb, the May USEP remained low compared to January, when it reached \$75/MWh as the supply cushion dropped below the 29.0 percent mark.

In June, the supply cushion rose again and this caused the monthly average USEP to fall below \$50/MWh again, to \$49/MWh.

EMC'S BUSINESS CONTINUITY PREPAREDNESS EXERCISES FOR FY2015/2016

Every year, we conduct a series of business continuity preparedness (BCP) exercises to ensure that we are well prepared should a crisis occur.

EMC completed the exercises listed below as part of our workplan for financial year 2015/2016:

Type of BCP Test	Date	Activity
Exercise Epsilon / EMC Call Tree Activation	October 2015	<ul style="list-style-type: none"> All staff activated by phone. Management team and identified personnel reported to office within pre-specified timeframe.
Exercise Jaguar	October 2015	<ul style="list-style-type: none"> Industry-wide BCP exercise.
Disaster Recovery Preparedness Exercises	November 2015 April 2016	<ul style="list-style-type: none"> NEMS system switched over to backup site.
BCP Site Readiness Test	December 2015	<ul style="list-style-type: none"> Critical teams worked from alternate office site.
Exercise Thunderbolt	May 2016	<ul style="list-style-type: none"> All staff evacuated from office to simulate emergency situation.
Home Quarantine Order Exercise	June 2016	<ul style="list-style-type: none"> Critical teams conducted their daily operations from home.
Desktop Scenario Test	June 2016	<ul style="list-style-type: none"> Management team worked on injects to ensure familiarity with emergency crisis and business continuity procedures.

USER FORUMS

Market Information Sharing Forum (MISF)

Tan Choon Kiat from the Market Operations team hosted the 87th session of the bi-monthly MISF on 19 May. The following topics were shared with the attendees:

- Market Performance and key highlights in March and April;
- System Enhancements and Projects; and
- Feature Topics:
 - » Post Demand Response (DR) observations; and
 - » Load transfer from North-East to North-West on 21 & 22 May.

We would like to thank all participants for their continuous support and strong interest in the MISF. The next MISF is scheduled for 14 July and will be presented by Mr Tan from the Market Operations team. Market participants who are interested in presenting at future MISFs are encouraged to come forward.

Market Systems User Group (MSUG)

The bi-monthly MSUG forum was held on 28 June. EMC IT updated attendees on the following topics:

- Overview of NEMS systems availability year-to-date for FY 15/16;
- Overview of NEMS systems service desk calls received between May 2015 and May 2016;
- Overview of Change Releases deployed between May 2015 and May 2016;
- Upcoming planned Disaster Recovery Exercise (Switchover) in July and (Switchback) in August; and
- Status update on Web SSO project.

The next MSUG forum is tentatively scheduled for Thursday, 18 August.

EMC TRAINING PROGRAMME NEXT COURSE ON 18 AND 19 AUGUST 2016

EMC will be holding the next run of its two-day course *Understanding Electricity Markets* on 18 and 19 August 2016. Our staff will be conducting six sessions covering the following topics:

- Understanding Electricity
 - Why Reform and Regulation is Essential in the Electricity Industry
 - The National Electricity Market of Singapore and its Unique Features
 - Pricing Mechanism and Economic Dispatch
 - Settlement
 - How Consumers can Influence Electricity Markets
- The course dates for 2016 are as follows:
- » 18-19 August
 - » 10-11 November

We advise you to book early to secure your place in the course date of your choice, and benefit from our early-bird discount.

Further details on the programme and on how to register are on our website, www.emcsg.com. For enquiries, please e-mail trainingprogramme@emcsg.com or contact Jan Lee at +65 6779 3000.

SEND US COMMENTS, FEEDBACK OR QUESTIONS

The EMC Bulletin is written by EMC for you and we are always striving to improve our service. We are interested in any feedback you might have about specific articles and topics covered or comments and suggestions about other areas you would like to see included.

Please send your comments, feedback or questions via e-mail to emc.newsletter@emcsg.com or via fax to +65 6779 3030. Thank you in advance for your time and effort.

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